



08028367

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0123
Expires: February 28, 2010
Estimated average burden
hours per response... 12.00

SEC FILE NUMBER

8-27061

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: A.H. Haynes & Co., Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

711 Fifth Avenue, 5th FloorNew York

(City)

(No. and Street)

New York

(State)

10022

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Amanda Haynes-Dale(212) 826-2909

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Weiser LLP

(Name - if individual, state last, first, middle name)

3000 Marcus Avenue

(Address)

Lake Success

(City)

NY

(State)

11042-1066

(Zip Code)

CHECK ONE:

☒ Certified Public Accountants☐ Public Accountant☐ Accountant not resident in United States or any of its possessions

PROCESSED

MAR 13 2008

THOMSON
FINANCIAL11042-1066
Section

FEB 28 2008

Washington, DC

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of
information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

JY
3/11/08

OATH OR AFFIRMATION

I Amanda Haynes-Dale, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of A.H. Haynes & Co., Inc., as of December 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Amanda H. Haynes-Dale

Signature

President

Title

Dennis Cancellarich

Notary Public

2/21/08

Dennis Cancellarich
Notary Public, State of New York
Reg #01CA6010793
Qualified in WALKER County
My Commission Expires 07/27/2010

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent Auditors' Report on Internal Accounting Control.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

A. H. HAYNES & CO., INC.

711 FIFTH AVENUE
NEW YORK, N.Y. 10022
(212) 826-2909 / TEL
(212) 826-2419 / FAX

SEC
Mail Processing
Section

FEB 28 2008

Washington, DC
102

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2007

A.H. Haynes Co., Inc.
Statement of Financial Condition
December 31, 2007

Assets

Cash	\$ 71,699
Deposit with clearing organization (consisting of securities with a market value of \$214,367)	214,367
Receivable from broker-dealers	816
Investment in partnership	186,143
Advances to stockholder	1,077,695
Furniture and fixtures (net of accumulated depreciation of \$5,115)	29,537
Other assets	<u>99,048</u>

Total assets	\$ 1,679,305
---------------------	---------------------

Liabilities and Stockholder's Equity

Liabilities

Accrued expenses and other liabilities	<u>\$ 97,840</u>
--	------------------

Commitments and contingencies

Stockholder's equity

Common stock, no par value; 100 shares authorized, issued and outstanding	10,000
Retained earnings	<u>1,571,465</u>
Total stockholder's equity	<u>1,581,465</u>

Total liabilities and stockholder's equity	\$ 1,679,305
---	---------------------

The accompanying notes are an integral part of this financial statement.

1. Organization and Nature of Business

A.H. Haynes & Co., Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (SEC), and is a member of the Financial Industry Regulatory Authority (FINRA). The Company operates as an introducing broker principally under a clearance agreement with another broker-dealer (clearing broker), who assumes and maintains the accounts of the Company's customers. The Company transacts its business with customers located throughout the United States.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Revenue Recognition

Securities transactions are recorded as follows: commission income, commission expenses and management fees are recorded on a settlement date basis, generally the third business day following the trade date. The effect of recording these transactions at settlement rather than on a trade-date basis is deemed to be immaterial.

Marketable securities are valued at market value.

Investment in Partnership

The Company invests in an investment partnership ("IP") and carries its investment at the estimated fair value using the underlying value of the net assets of the IP.

Furniture and Fixtures

Furniture and fixtures is stated at cost less accumulated depreciation. Depreciation of furniture and fixtures is computed using both the straight line and accelerated methods over the estimated useful lives of the related assets.

Income Taxes

The Company has elected to be treated as an S Corporation under the appropriate provisions of the Internal Revenue Code. Accordingly, the Company is not subject to federal income tax. In addition, the Company has elected S Corporation status for New York State tax purposes and, accordingly, pays New York State income tax at the minimum rate. The stockholder is required to report separately her distributive share of the Company's income or loss to federal and state tax authorities. New York City, however, does not recognize S Corporation status, and therefore, the Company is taxed at regular corporation tax rates.

A.H. Haynes & Co., Inc.
Notes to Financial Statement
Year Ended December 31, 2007

Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

3. Clearance Agreement

The Company has an agreement with a clearing broker to execute and clear, on a fully disclosed basis, customer and proprietary accounts of the Company. In accordance with this agreement, the Company is required to maintain a deposit in cash or securities of no less than \$150,000.

4. Commitments

During June 2007, the Company entered into a sub-lease agreement, which expires in June 2009 for new office space at a monthly rate of \$6,400 plus its pro-rata share of escalation costs. In addition, the Company is subletting a portion of its premises on a month-to-month basis, at a monthly rate of \$1,025.

Prior to June 2007, the Company rented its old premises on a month-to-month basis at a monthly rate of \$4,383.

Future minimum annual rental payments are as follows:

<u>Year ending</u> <u>December 31,</u>	<u>Amount</u>
2008	\$ 76,800
2009	<u>38,400</u>
	<u>\$ 115,200</u>

5. Advances to Stockholder

Advances to the Company's sole stockholder, amounting to approximately \$1,078,000, are non-interest bearing and due on demand.

6. Employee Retirement Plans

The Company sponsors a defined contribution retirement plan covering all of its full-time employees who have attained the age of 21. The required contribution to the plan is 25% of employee compensation up to statutory limits.

7. Net Capital Requirements

The Company is subject to the uniform net capital requirements of Rule 15c3-1 of the Securities and Exchange Commission, which requires a broker-dealer to have, at all times, sufficient liquid assets to cover current indebtedness. In accordance with the rule, the Company is required to maintain defined minimum net capital to the greater of \$5,000 or 1/15 of aggregate indebtedness as defined. At no time may the ratio of aggregate indebtedness to net capital exceed 15 to 1.

At December 31, 2007, the Company had net capital of \$135,343 which was \$128,820 in excess of its required net capital of \$6,523. Aggregate indebtedness at December 31, 2007 was \$97,840. The ratio of aggregate indebtedness to net capital was 0.72 to 1.

8. Off-Balance-Sheet Credit Risk and Concentration of Credit Risk

The Company, as an introducing broker, clears all transactions with and for customers on a fully disclosed basis with the clearing broker, and promptly transmits all customer funds and securities to the clearing broker, who carries all of the accounts of such customers. The Company does not maintain margin accounts for its customers; therefore, there were no excess margin securities. However, the Company may be liable for chargebacks on introduced customer accounts carried by the clearing broker. In addition, the Company may be exposed to off-balance-sheet risk in the event the clearing broker is unable to fulfill its contractual obligations.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and securities on deposit at its bank and clearing broker. The accounts at its bank and clearing broker contain cash (bank) and cash and securities (clearing broker). Balances at its bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Balances at its clearing broker are insured up to \$500,000, with a limit of \$100,000 for cash, by the Securities Investor Protection Corporation (SIPC). Net equity positions at the clearing broker in excess of SIPC limits are protected by additional coverage maintained by the clearing broker.

The Company's Statement of Financial Condition as of December 31, 2007 is available for examination at the office of the Company and at the Regional Office of the Securities and Exchange Commission.

Independent Auditors' Report

To the Board of Directors
A.H. Haynes & Co., Inc.

We have audited the accompanying statement of financial condition of A. H. Haynes & Co., Inc. (the "Company") as of December 31, 2007, that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of A. H. Haynes & Co., Inc. at December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

Wen 210
Lake Success, NY
February 26, 2008

END